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Flexicurity: A New Paradigm for the Analysis of Labor Markets and Policies Challenging the Trade-Off Between Flexibility and Security

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Abstract

The aim of the article is to discuss the concept of flexicurity presented as a new paradigm for analyzing modern labor markets (analytical perspective) and as a metaphor for policies striving for a better balance between flexibility and security (normative perspective). The purpose is to clarify these analytical and normative meanings of the flexicurity concept from a theoretical and empirical perspective. Flexicurity has been a policy strategy since 2005/2006 endorsed by the European Commission and put on top of the political agenda for the European Employment Strategy and EU 2020, the 10-year strategy of the EU. We briefly sketch the tenets of the flexicurity approach by discussing the main issues in the European academic and policy debate. We subsequently present empirical evidence based on the definition of dynamic outcome indicators for assessing the performance of 26 countries in the EU in balancing flexibility and security. The findings challenge the conventionally presumed trade-off between flexibility and security.

1. Introduction

The term flexicurity is an amalgam of the words flexibility and security, coined by Wilthagen and others, to posit a mutual relationship or interplay between flexibility and security (Wilthagen, 1998; Wilthagen and Tros 2004). The principle idea is that high levels of flexibility and employment security can be attained simultaneously, challenging the mainstream economists' view of an inevitable trade-off between the two. The term flexicurity is now viewed as a new paradigm for analyzing modern labor markets (the analytical perspective), as well as a metaphor for policies striving for a better balance between flexibility and security (the normative or policy perspective) (Wilthagen and Tros 2004) and sometimes as both.

In this article we first briefly sketch the theoretical underpinnings and tenets of the flexicurity concept. Second, we show how the concept was taken up and further advanced in the European policy and political debate. Third, relying on empirical studies and evidence we attempt to show whether the flexicurity concept can indeed measure up against its expectations in the sense of defeating the trade-off between flexibility and security also in periods of economic crises or at least facilitate a better balance between the two within the European context. We end with some conclusions and an outlook for research.

2. Defeating the notion of a necessary trade-off: a brief account of flexicurity as an academic concept

In Western European countries job and social security systems (employment protection, social protection, unemployment and disability insurance and social welfare) developed as

major feats of social engineering after the Second World War, generally reaching their completion in the late 1960s and 1970s. Soon after, following economic and budget crises, resulting in economic downturns and double-digit unemployment rates, Europe entered an era that, internationally, was diagnosed as a time of “Eurosclerosis”: sluggishness, low growth, low productivity and low mobility in the labor market (OECD 1994). By way of response, deregulation and privatization emerged as influential political-economic concepts in the 1980s and early 1990s (OECD 2002).

Interestingly, in the course of the 1990s political scientists started to notice that the ‘deregulation versus regulation’ and ‘flexibility versus security’ debate might be positioned and conceptualized too narrowly. Institutional and regulatory settings in the labor market were no longer seen as mere economic barriers. Rather, certain settings and forms of (re)regulation were considered conducive to socio-economic performance (e.g. Streeck 1992; Leibfried and Mau 2008). Social policy was increasingly typified as a production factor and social institutions were either perceived as harmless with regard to economic growth, or thought to matter in a positive sense (see Auer 2001). As Esping-Andersen and Regini (2000, 340) have put it in their book with the meaningful title *Why Deregulate Labour Markets?* “Managing unemployment is greatly facilitated when, and if, the social partners are capable of strong co-ordination and consensus-building.” It became noticed that small open economies such as Denmark and the Netherlands had recovered from a period in the doldrums and had started to perform very well along both the economic and social dimension. In the case of the Netherlands this recovery was referred to as the “Dutch Miracle” (Visser and Hemerijck 1997), facilitated by the revival of socio-economic consultation and coordination at both the central and industry level, the so-called Dutch Polder Model.

Inspired by Dutch developments and those in other welfare states Wilthagen cum suis coined the academic concept of flexicurity (Wilthagen 1998; Wilthagen and Tros 2004). They define flexicurity as a policy strategy to enhance, at the same time and in a deliberate way, the flexibility of labor markets, work organisations and employment relations on the one hand, and security – employment and income security – on the other (Wilthagen and Rogowski 2004). From a theoretical perspective, Wilthagen and Rogowski 2002 argue that flexicurity is a negotiated concept involving all stakeholders and based on what they call “reflexive” labor law: regulations which are defined and modified in constant interaction and dialogue with and feed-back from actors and day-to-day practices. Secondly, flexicurity is understood and defined as a ‘state of affairs’: “a degree of job, employment, income and combination security that (1) facilitates the labor market careers and biographies of workers with a relatively weak position, and which allows for enduring and high quality labor market participation and social inclusion, while at the same time providing (2) a degree of numerical (both external and internal), functional and wage flexibility that allows for labor markets’ (and individual companies’) timely and adequate adjustment to changing conditions in order to maintain and enhance competitiveness and productivity. In this sense flexicurity is very akin to Streeck’s (2000) ‘competitive solidarity’ concept. A key feature of the flexicurity definition is the distinction between job and employment security. Job security is conventionally understood as staying in the same job with the same employer for relatively long periods (lifetime employment). Within the flexicurity concept this notion of *job security* and life-time employment is replaced by the notion of *employment security* pertaining to the security to stay in secured employment during the entire career but not necessarily in the same job with the same employer¹. In the modern labor market people are confronted with more frequent shifts between jobs with the same or different employer and even between self-

employment and a paid job to maintain one's current and future employability on the labor market. Labor markets have become Transitional Labor Markets as rightly pointed out by Guenther Schmid some 15 years ago (Schmid 1995; Schmid and Gazier 2002). One core element of flexicurity stems from the expectation that the employability of people can be safeguarded in a flexible and *dynamic labor market* through the creation of more and better jobs achieved by the improved matching of peoples' skills to jobs associated with career-long investments in employability.

The theoretical definition of flexicurity includes various forms of flexibility and security. On the one hand It encompasses external numerical (hiring and firing), internal numerical (working-time flexibility) but also internal functional flexibility (to adapt the internal work organization swiftly to changes in product demand) and wage flexibility; on the other hand it includes job and employment security but also income security (to stay out of income insecurity or poverty) and combination security (to combine work and care or other activities in private life or the so-called work-life balance).

Trade-off and zero-sum relationships

The concept of flexicurity hence challenges the general view of an inevitable trade-off between promoting flexibility, i.e. firms' capacity to adjust swiftly to a change in labor demand, and at the same time safeguarding workers' security. In other words the trade-off thesis departs from a zero-sum relationship between efficiency (read flexibility) and equity (read security). It boils down to assuming that raising equity, e.g. by generous social protection, will always be at the cost of efficiency because of reduced incentives for performance (e.g. reduced job search). Social institutions aimed at protecting the security of workers such as minimum wages, collective wage bargaining, social protection systems and employment protection rules give employers little leeway to adapt to business cycle changes and therefore signal a lack of labor market flexibility. Following institutional economic and insider-outsider theory the justification is that the additional costs associated with the protection of insiders (costs of dismissal) and the creation of entry barriers for outsiders (skills requirements) hamper efficiency (e.g. Blanchard and Tirole 2004; Nickell et al. 2005). A related argument pertains to the knowledge economy and the process of 'skill-biased' technical change' which raise the demand for high-skilled but strongly reducing it for the low-skilled. For that very reason the low skilled are assumed to have to accept jobs of lower quality with either lower wages, or less job and employment security or both (e.g. Boeri and Garibaldi 2007). Likewise, sociologists point to the consequences of globalization (increased international competition) and social stratification processes in post-industrial societies affecting particularly the weakest groups on the labor market, workers in low status jobs, with low skill levels and low human capital endowments who therefore are increasingly exposed to rising employment instability and income insecurity (Blossfeld et al. 2006; Gangl 2006; Muffels and Luijkx 2008; Standing 1999).

Positive-sum game

The contrasting flexicurity thesis argues for a 'positive-sum game': flexibility and security can both be improved dependent on the way in which institutions are designed and sufficient investments in social and human capital are made to warrant high levels of commitment and productivity. The basic assumption of mainstream economists that regulations and institutions tend to distort efficiency is challenged by the contrasting view that

institutions when they are designed properly might also foster growth instead of endangering it. Social policy might contribute to enhance productivity and growth by creating mutual trust, by supporting risk seeking behavior and by improving the allocation of people to jobs since it allows people to wait and to find the best job match (see e.g. Gangl 2006; Sinn 1995). Flexicurity does not deny trade-offs nor presume only winners and no losers; in the short term people might lose but the challenge in the longer run is to stimulate inclusive growth that increases the gains and reduces the losses while outsiders obtain more chances to reap the fruits only insiders now have.

The flexicurity thesis posits that a labor market with high employability levels also shows high levels of labor market turnover and employment security. The idea is that labor markets function better in a 'knowledge-based' society when career-long investments in workers' human capital are made. These investments will improve worker's employability as well as their mobility and productivity, which in the end will improve their employment security and brings about competitive advantages for the economy as a whole. The theoretical basis for the argument can also be found in the sociological management literature. Sociologists are concerned with the changes occurring in the employment relationship as a consequence of the alleged flexibility trend that is delineated as an ongoing shift from lifetime employment to the 'boundary less career' (Stone 2005). In the 'new' employment relationship the job security offered through life-time employment and the internal labor market is substituted by employment security offered through investments in the employability of employees by provisions for training and learning opportunities which raise the general skill-level (Collins 2005).

The distinction between job security and employment security is therefore essential especially in economic downturn periods when soaring employment and rising unemployment levels reduce job security. In the downturn, employment security can however be maintained when high levels of employability are sustained by designing the institutions in such a way that they facilitate transitions and the creation of 'bridges between employment and non-employment' in the form of leave schemes (e.g. for education and caring) and short-time arrangements (such as in Germany). The main advantage of such an approach is that they foster 'trust' in society and reduce uncertainty which are known to be important ingredients of flexicurity.

The building of trust requires a constructive social dialogue that is considered a crucial precondition for developing integrative and well-balanced reform packages at the national and sector level; the social partners (employers' associations and trade unions at the various levels: macro, sector and company) are expected to actively engage in an 'industrial relations of flexicurity'.

To date flexicurity has triggered a vast and still increasing amount of academic research and analysis. Much of this research and analysis aims at looking to the institutions, policy structures and processes that might be considered conducive to flexicurity. In particular industrial relations systems and the involvement of social partners at the vary levels do matter. Especially as the same parties negotiate at both the national and local level, through a single track system of industrial relations, as in the Danish case, negotiations and outcomes are far more extensive and appear more inclusive (Ilsoe 2010). In a 2008 report by Eurofound (2008) a distinction is made between the political, regulatory and unilateral dimensions of the social partners' role in the flexicurity domain. The first dimension refers to the social partners' national role in the design of flexicurity policies, the second to the role in the collective bargaining process at sector and company level and the unilateral role to the services (training, job placement, social security) provided by the trade unions and employers organizations to their members. The study classifies

countries on flexicurity practices in the industrial relations system according to these three dimensions. The countries that are typically called flexicurity countries, Denmark, The Netherlands and Austria, are part of a group of countries that rank high at the political and regulatory dimension but low on the unilateral dimension at the same time. However, other countries that are not generally seen as examples of flexicurity, such as France, are also in this group. A recent study shows that “though not always in direct reference to the flexicurity concept and often driven by different concerns and priorities” – social partners are actively contributing to reform processes and solutions,” thus supporting the implementation of the key dimensions of the EU’s common flexicurity principles (Voss and Dornelas 2011, 68) However, the way flexicurity is currently implemented is not (yet) sufficiently balanced in terms of promoting security as well as flexibility across different countries (cf. Viebrock and Clasen 2009 for an overview).

3. Flexicurity in the European policy debate

The flexicurity concept while gaining increased attention in the past 5 year raised both, support *and* criticism after becoming a key policy concept within the European Employment Strategy and the broader EU agenda as of 2005–2006. From a policy perspective flexicurity has been viewed as a further concretization of the so-called European Social Model, bridging the gap between the two opposite poles of the unregulated, liberal market economies in the Anglo-Saxon world, in particular the United States and the UK, and the heavily regulated, coordinated or even segmented market economies in Continental and Southern Europe (cf. the Varieties of Capitalism approach by Hall and Soskice 2001; but also Giddens 2007; Hill 2010). The political endorsement of flexicurity is laid down in a number of European documents.² A rather surprising result is that the European Member States, the European Parliament, social partners and various NGO’s managed to hammer out a broad consensus and joint problem definition in the social dialogue at the European level on flexicurity. Among others, Auer (2010) is sceptical about the consensus building strength of the flexicurity concept for the near future because of ‘mounting criticism’ at the side of the Unions at national and European level on flexicurity as being a mere substitute for flexibility or ‘flexibility in disguise’. This pertains to the criticism that flexicurity policies are unbalanced while being primarily focused on increasing flexibility rather than on safeguarding security. To date there is no reason whatsoever to suspect that flexicurity will disappear quickly from the European agenda. On the contrary, whereas in academic circles the vagueness of the concept is considered its weakness, at the European policy level it seems to turn into its strength while receiving wide support of all stakeholders. However, since the substance of flexicurity policies and its translation into concrete measures have to be negotiated between the stakeholders at the national level one might suspect more debate and dispute at national level. Nevertheless, social and employment policies are subject to the so-called open method of coordination (OMC). In the OMC process the European bodies set the framework and objectives and orchestrate the monitoring and reviewing of the National Reform Plans for implementation of the commonly agreed flexicurity principles (established in 2007) while at the same time leaving member states free to decide on detailed policies and their implementation. Member states therefore have room to negotiate policy measures at the national level for which there is common support and to leave out measures which are more disputable. The outcome of this process is therefore hard to predict and will to a large extent be governed by the socio-economic conditions and features of the industrial relations systems at national level which are largely different. Though the OMC is con-

sidered a form of 'soft' law, it is supplemented with 'hard' law through the establishment of EU Directives on fixed-term and part-time work (which were based on European social partner agreements) and, very recently and after a very lengthy negotiation process, agency work. However, no EU 'flexicurity law' currently exists that underpins the coordination approach.

EU governance has wisely decided not to adopt a 'one-size-fits-all' approach to flexicurity but to leave room for the member states to follow their own path. The rationale is that apart from the wide disparity in labor market performance, Europe lacks the authority to do otherwise and has to respect the autonomy of each Member State regarding labor market and social policy. The Commission therefore, instead of providing detailed recommendations for each member state, has worked out four ideal-typical flexicurity pathways. These pathways depart from the core flexibility-security challenges countries confront: two-tier labor markets, lack of job-to-job transitions in the case of redundancy, limited access to education and training for marginal groups and persisting long-term inactivity and informal work. The pathways are expected to be developed along four policy components: (a) flexible and reliable contractual arrangements, (b) efficient active labor market policies to strengthen transition security, (c) systematic and responsive lifelong learning and (d) modern social security systems that also contribute to raising mobility in the labor market (European Expert Group on Flexicurity 2007). The pathways differ in the way they design and combine flexicurity policies along the four policy components.

Concrete measures taken at the national level and their outcomes undoubtedly differ largely as do the economic and cultural conditions and the industrial relations systems in the countries. It will be a major test for the EU to deal with claims for a Europe with different speeds in the way countries progress and align to the commonly agreed European targets. In the meantime countries in very different positions need to address major challenges such as those concerning the competition with emerging economies, the impact of the financial crisis resulting in high budget deficits and austerity measures especially in Southern Europe, the high youth unemployment, the rising income inequality (OECD 2011), the ageing of the population putting pressure on government budgets for pensions and health care but also causing shortages on the labor market, the tensions migration flows create and the obstacles to achieve sustainable, low-carbon growth. The ambitions of the Union have not changed, as expressed in article 2 of the new Lisbon Treaty, while they are still based on the three social, economic and ecological pillars of inclusive, smart and sustainable growth. The flexicurity agenda is therefore likely to play a sustained role to reinforce and align the social and economic goals of the new European Agenda notwithstanding the criticism it does evoke in academic and policy circles. A clear sign of this is the continued inclusion of the flexicurity goal in major EU policy initiatives in view of the economic crisis, such as the so-called Employment Package, issued in April 2012 (European Commission 2012). Stepping up in response to the crisis and getting more influence, the EU's economic governance is also pushing for labor market reforms to increase its flexibility, to reduce segmentation and to promote inclusiveness and thus going beyond soft law and coordination approaches (OECD/Worldbank 2012).

4. Flexicurity as a state of affairs: measuring country's performance

In this last part we are concerned with the state of flexicurity in EU countries since the existing evidence suggests that there is a large variety in the way countries perform in balancing flexibility and security. Figure 1 depicts the way countries and clusters of countries

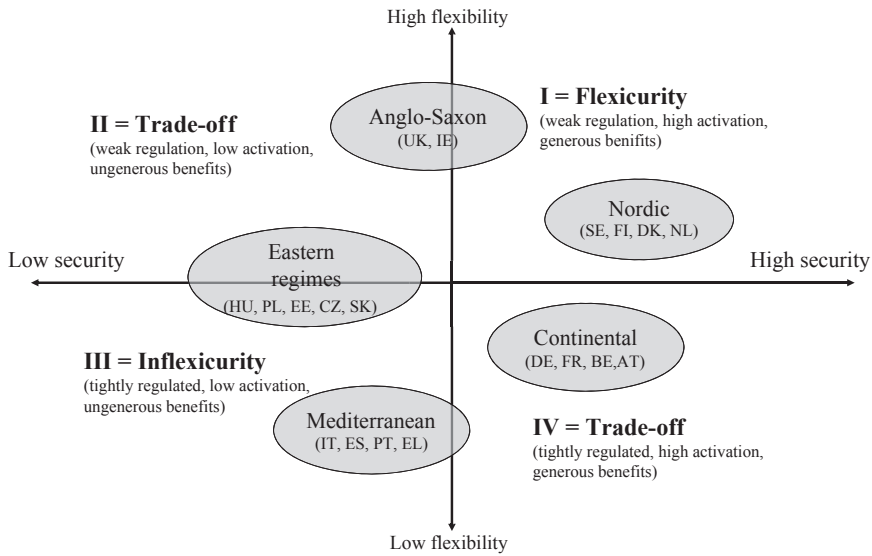


Figure 1. The theoretical classification of countries and policy regimes in the flexicurity quadrant. Source: Muffels and Luijkx (2008).

or policy regimes perform from a theoretical perspective with a view to attaining a combination of high or low flexibility (indicated by a low or high level of employment protection) and high or low levels of security (indicated by generous or ungenerous insurance schemes and active or passive labor market policies). The regime classification is based on an amended version of Esping-Andersen's typology by including a Southern and Eastern regime (Arts and Gelissen 2002; Muffels and Luijkx 2008). The country scores on both dimensions determine the location in this so-called "flexicurity quadrant." In the upper right hand corner are the countries located with high levels of flexibility as well as security representing a state of flexicurity (I) and in the lower left-hand corner the countries with low scores on both, flexibility and security, representing a state of inflexicurity (II). Countries in the upper left and lower right corner are characterized by a trade-off between flexibility and security with either low levels of security and high levels of flexibility (III) or low levels of flexibility and high levels of security (IV).

The empirical evidence published to date confirms largely the theoretical classification of the countries and regimes in the four quadrants (EC 2006; Philips and Eamets 2007; Muffels and Luijkx 2008; Auer 2010). In a recent study for the European Commission Muffels et al. (2010) proposes four dynamic outcome indicators to measure the performance of countries on the flexibility-security balance instead of relying on the static-institutional indicators as in most studies is done. For mobility a transition indicator has been defined for the degree of voluntary and involuntary job-to-job mobility, calculated as the percentage of people moving from one job into another annually. Also indicators were defined for numerical flexibility by calculating the number of workers moving between different working-time arrangements (e.g. from part-time to full-time and vice versa) and between fixed-term and permanent contracts (contract mobility). The latter measure indicates to what extent non-standard contracts act as 'stepping stones' into standard jobs or as an 'employment trap' from which it is hard to escape. For employment security an indicator has been defined for the percentage of people moving into a more secure employment status in the following year³ and for income security the percentage of people improving their income security, mea-

sured by the likelihood to stay out of poverty or to move out of it the year after.⁴ The two indicators on job and contract mobility were combined into a Voluntary Job and Contractual Mobility measure (VJCM) and the two indicators on income and employment security into an Income and Employment transition Security measure (YES).⁵

The regression line drawn in Figure 2 reveals a weakly positive relationship between transition security and voluntary mobility ($R^2 = 0.06$). Second, it shows the classification of countries in the flexicurity quadrant compared to the European average based on the empirical evidence. The length of the lines which connect the countries in each separate cluster and the surface of the plane that is demarcated by these lines indicate the divergence within the regime.

The results confirm largely the theoretical classification of countries in Figure 1 though showing a strong divergence also within the various regimes. The Baltic states (Estonia and Latvia) are doing better than predicted on voluntary job mobility, whereas the Netherlands performs worse due to a low level of job and especially contractual mobility (from a temporary to an open-ended contract). Most of the Scandinavian countries are, as predicted, in the flexicurity quadrant (located at the upper right hand side) together with the UK which is outperforming the other regimes on mobility while paying a price on income security that is however compensated by high levels of employment transition security.

The continental countries France, Austria, Belgium, Germany and the Netherlands are in the trade-off quadrant with a low flexibility and high security whereas the Southern and Eastern countries either show up in the inflexibility (low flexibility and low security), such as Poland (PL), or the trade-off quadrant with high flexibility but low security, such as Hungary. The good story is that quite a number of countries are able to combine fairly high levels of mobility and security, the bad part though that there is a large divergence across Europe with many countries in the South (Italy) and the East (Poland) still having a fairly long way to go. Whatever the reasons are for the large divergence, a one-size-fits-all or common policy approach seems therefore very unlikely to be successful.

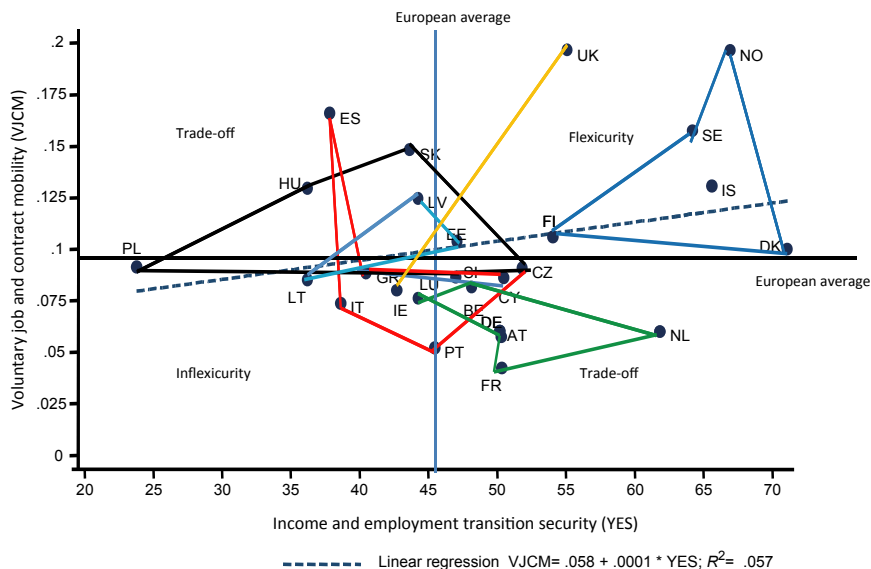


Figure 2. The empirical classification of countries in the flexicurity quadrant for 2005-2006. Source: Eurostat, SILC 2005-2006; ECHP 2000-2001 (Denmark).

Another key flexicurity issue concerns the relationship between the incidence of fixed-term contracts and the annual transition rate from a fixed-term contract into an open-ended contract the year. There is ample evidence that the stricter employment protection is the higher the incidence of such temporary contracts (IMF 2010; OECD 2010).

On average the transition rate is 34 percent in Europe but a number of countries with a high incidence display lower transition rates including some Eastern and Southern countries but also France and the Netherlands. Some Baltic states show remarkable high transition rates and low incidence. These findings clarify to what extent employment protection rules impact the incidence and contractual mobility and at the same time the career chances of outsiders on the labor market.

5. Conclusions

Flexicurity was developed as both an academic and policy concept from the general assumption and observation that trade-offs between flexibility (or efficiency) and security (or equity) could be avoided and overcome and, moreover, that well-designed institutions and social protection policies could be productive factors in fostering economic and labor market adjustment and performance. We have described and analyzed how the EU's flexicurity policy was shaped and implemented and how academic research attempted to assess both, the driving forces and the outcomes of flexicurity, the latter in terms of a balance between flexibility and security. In this article we propose to use transition outcome indicators instead of static institutional indicators to examine and monitor the performance of countries in balancing flexibility and security. We find, using SILC data for 2005–2006, that there are huge differences in the way countries and welfare regimes perform with respect to flexibility (indicated by voluntary job and contract mobility) and (income and employment) security. We argue that the relationship between flexibility and security is not necessarily featured by a trade-off as is presumed in conventional economic thinking, but that in line with the flexicurity thesis positive sum-games are feasible if institutions are adjusted to improve the match of workers to jobs by investing in employability and by facilitating transitions into better jobs and better work-life conditions. The evidence presented confirms that fairly high levels of mobility and security can be attained simultaneously, but this result is only achieved in a selection of European countries. In this sense the promise of flexicurity still needs to be fulfilled further. An interesting topic for future research is how countries and regimes shift over time in their performance on balancing flexibility and security and what causes these shifts, also in view of the impact and consequences of the current economic crisis on inequality and inclusiveness. This analysis should not be limited to European countries, but include the United States and the fastly developing emerging economies. Another relevant theme for the flexicurity research agenda concerns the shape and performance of company-level and local/regional flexicurity policies. Key issues include the relation between flexicurity strategies and productivity and innovation, also within the so-called 'triple helix relationship' between companies, local government and universities, schools and training institutes and especially at the regional level.

Short Biographies

Ruud Muffels is Professor of Economic Sociology (labor market and social security) at the Department of Sociology and professoral research fellow at ReflecT, the Research Institute on Flexicurity, Labour Market Dynamics and Social Cohesion. He is

also professorial research fellow at NETSPAR, the Network for Studies on Pensions, Ageing and Retirement. His main research interests deal with labor market dynamics, welfare state comparison, inequality, subjective well-being and panel methodology based on advanced quantitative empirical data analyses. He also acts as a consultant for the European Commission. He has published widely in *European and American Sociological, Economic and Interdisciplinary Journals* and (co-)edited a number of international academic volumes with reknown publishers.

Ton Wilthagen (law and sociology) is professor of institutional and legal aspects of the labor market, Tilburg Law School and director of Research Institute for Flexicurity, Labour Market Dynamics and Social Cohesion (ReflecT), Tilburg University. He is also one of the program directors of NETSPAR, the Network for Studies on Pensions, Ageing and Retirement at Tilburg University. His research focuses on (the regulation of) labor markets, industrial relations and social security. He (co-)edited a number of international academic volumes with reknown publishers. He is a consultant of the European Commission and was member of the high level expert group on flexicurity in 2006–2007. His work is widely cited and published in international journals such as *Social Indicators Research*, *Review of Economic Policy*, and *the International Journal of Comparative Labour Law and Industrial Relations*.

Notes

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¹ Auer (2010) uses the term employment security in a different way by preserving it for the security to stay with the same employer not necessarily in the same job. He prefers the term 'labor market security' for the security to be employed at all during the career. In our taxonomy employment security is the overarching term including job security, and Auer's employment and labor market security.

² Reference can be made to the much debated Green Paper on the Modernization of Labor Law issued on 22 November 2006 (COM 2006/708 final), the Report by the European Expert Group on Flexicurity in June 2007, the Communication on flexicurity by the European Commission dated 27 June 2007 (COM 2007/0359), the adaptation of Common Principles on flexicurity by the European Council on 6 December 2007 (16207/07. SOC 523, ECOFIN 503), and the joint labor market and flexicurity analysis presented by the European social partners on 18 October 2007 ("Key challenges facing European Labor Markets. A Joint Analysis of the European Social Partners", available at <http://www.etuc.org/a/4119>) and the post-crisis reconfirmation (and imminent re-launch) of flexicurity within the framework of the EU's larger 2020 Strategy and the Agenda for New Skills and Jobs (COM (2010) 682 final/2).

³ We consider transitions out of employment into unemployment or inactivity as exclusionary transitions into more insecurity and transitions into employment as integrative or more secure transitions. People residing in non-employment for another period are considered less integrated and more insecure and people residing in employment more integrated and more secure (cf. Muffels and Luijkx 2008).

⁴ All these transition measures are weighted with the share of people aged 16–64 in the origin state to arrive at an overall average of mobility in society (see Muffels and Luijkx 2008).

⁵ The mobility indicators were combined by calculating a weighted sum in which the weights are the shares of permanent jobs and temporary jobs respectively in society. The indicators on income and employment security were combined by calculating the mean of both indicators after multiplying each by 100. A score of 45 means that 45% of the population remains on average income and employment secure across two years.

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